S
388.11
H3evp

STATE DOCUMENTS

COMPARISON OF ECONOMIC ANALYSIS RESULTS
FOR
VAN NORMAN TO FORT PECK ROUTE
AND
CIRCLE TO FORT PECK ROUTE

DEC 9 1974

Separate analyses have been prepared for each of the above routes, and the results of these analyses are presented in this summary in tabular form so that direct comparison may be made between the routes.

COMPARISON OF ECONOMIC ANALYSIS RESULTS

	ROUTE LOCATION	
ITEM	Van Norman to Fort Peck	Circle to Fort Peck
Length of route in miles	53.5	68.4
Average daily future traffic		
Local	35-31%	59-26%
Recreational	37-33%	63-28%
Through	40-36%	106-46%
Total Future Traffic	112-100%	228-100%
Total construction costs	\$2,481,175	\$2,872,725
Annual amortized construction cost	110,660	128,124
Annual cost to State with Federal Aid including maintenance	87,421	104,320
Annual revenue from traffic	\$ 16,144	\$ 43,992
Annual benefits to traffic	72,589	229,810
RATIOS:		
Financial Solvency $\frac{\text{Revenue}}{\text{Costs}}$	0.1846	0.4217
Economic Solvency $\frac{\text{Benefits}}{\text{Costs}}$	0.8303	2.2029

MONTANA STATE LIBRARY
930 East Lyndale Avenue
Helena, Montana 59601

312

Composite Solvency	$\frac{\text{Revenue \& Benefits}}{\text{Costs}}$	0.7175	1.8556

A comparison of the results of the economic analyses for the two presents the following conclusions:

1. The construction cost for the Circle to Fort Peck Route would be $42,000 per mile as compared with $46,377 per mile for the Van Norman to Fort Peck Route.

2. For each $1.00 invested in construction and maintenance by the State Highway Department in each of these routes, the revenue return would be $0.42 for the Circle to Fort Peck Route and only $0.18 for the Van Norman to Fort Peck Route.

3. For each $1.00 invested in construction and maintenance by the State Highway Department in each of these routes, the motorist would receive benefits equal to $2.20 on the Circle to Fort Peck Route as compared with $0.83 for the Van Norman to Fort Peck Route. Construction of the highway from Van Norman to Fort Peck would be economically unsound since the value of the benefits would be exceeded by the construction and maintenance costs.

4. The Composite Solvency Ratio shows that, from an overall standpoint, the Circle to Fort Peck Route would have a rating approximately 2.6 times more favorable than the Van Norman to Fort Peck Route,

The Circle to Fort Peck Route has the greater revenue and benefit potential principally because it would attract and serve a greater volume of traffic. The traffic flow map shows that there is a considerable volume of traffic entering and leaving the State via U.S. Highway No. 10 from Beach to Glendive. A large segment of this traffic moves between Glendive and points on U.S. Highway No. 2. The traffic having origins or destinations at Glasgow or points west would find that the Glendive Circle-Fort Peck-Glasgow Route provides the shortest and most direct route between these points. Consequently, most of this traffic would prefer to use this route. If the Van Norman to Fort Peck Route were constructed, a portion of this traffic could be expected to divert to the new route, however, since the travel distance is approximately the same, and since the route via Circle Wolf Point Glasgow is more populated and better developed, it is reasonable to assume that the greater portion of the traffic would continue to use the old route.

The Van Norman to Fort Peck Route would provide better service for any traffic originating along the Broadus-Miles City-Jordan highway which had destinations in the Glasgow vicinity, or for that traffic originating west of Jordan which was bound for Glasgow and vicinity. The volume of traffic desiring to follow these routings is much smaller than the Circle to Glasgow traffic, consequently the Van Norman to Fort Peck Route has less value. The eventual completion of the Grass range to Malta highway will also detract from the value of the Van Norman to Fort Peck Route since it will attract some of the traffic that would normally use the latter route.

The Circle to Fort Peck Route has the further advantage that it will serve the local traffic now using FAS Route No. 252 between Circle and Weldon, and it will thereby eliminate the necessity of constructing a secondary highway in this vicinity. If the Van Norman to Fort Peck Route were built in preference to the Circle to Fort Peck Route, it would still be necessary to construct the secondary road between Circle and Weldon to serve the local traffic in that vicinity.